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Proposed Counsel for TEM Enterprises

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re

TEM ENTERPRISES,

Debtor in Possession.

Case No.: 14-13955-abl

Chapter 11

**DECLARATION OF LISA DUNN IN
SUPPORT OF MOTION TO ASSUME AND
CURE EXECUTORY CONTRACT**

Hearing Date: July 23, 2014

Hearing Time: 1:30 p.m.

**Hearing Place: Foley Federal Building, 300
Las Vegas Blvd. South, Las Vegas, Nevada
89101**

I, LISA DUNN, declare under penalty of perjury:

1. I am the president of TEM ENTERPRISES d/b/a/ XTRA AIRWAYS (“Debtor” or “Debtor in Possession”), debtor in possession in Case No. 14-13955-abl, pending in the United States Bankruptcy Court, District of Nevada (the “Action”).

1 2. This declaration is made of my personal knowledge except where stated upon
2 information and belief, and as to those matters I believe them to be true, and if called as a
3 witness I could competently testify thereto.

4 3. This declaration is submitted in support of the *Motion to Assume and Cure*
5 *Executory Contract* (the “Motion”).

6 4. Prior to the Petition Date, the Debtor began its efforts to attempt to restructure
7 the company outside of bankruptcy. Pursuant to this goal, the Debtor sought out an experienced
8 chief financial officer who could aid in the reorganization of the Debtor and its finances. In
9 particular, the Debtor sought someone who could aid in the Debtor’s restructuring efforts and
10 assume the roles of chief financial officer, controller and treasurer. Thus, the Debtor sought
11 someone who could fill the roles of multiple employees while only compensating one
12 individual for such services.

13 5. On May 12, 2014, the Debtor and Accountemps entered into an Agreement
14 which provided for the temporary employment of Robert Godfrey (“Godfrey”) as the chief
15 financial officer (the “CFO”) of the Debtor. A true and accurate copy of the Agreement,
16 entered into between the Debtor and Accountemps, is attached hereto as “**Exhibit 1**”. The
17 Debtor selected Godfrey because of his vast experience in company restructuring and in acting
18 as the CFO, controller or executive for other similarly-situated companies. A true and accurate
19 copy of the resume I received from Godfrey (the “Godfrey Resume”) is attached hereto as
20 “**Exhibit 2**”. Based on his substantial expertise in a wide range of roles, the Debtor selected
21 Godfrey to fill its CFO position and to take on the duties of the Debtor’s controller and
22 treasurer.

23 6. On or around May 16, 2014, the first payment in the amount of \$2,695.17 to
24 Accountemps came due. Due to the Debtor’s bankruptcy filing, its first payment to
25 Accountemps was not honored by the bank. Since then and up to the Petition Date, the Debtor
26 has accrued an additional \$7,581.86 in fees due and owing to Accountemps. As such, as of the
27 Petition Date, upon information and belief, the Debtor owes Accountemps a total of \$10,277.03
28 for the work performed by Godfrey prior to bankruptcy.

1 7. Following Debtor's failure to pay, Accountemps stated that it would not allow
2 for the continued services of Godfrey unless it was paid in full. In order to ensure that
3 Godfrey's services continue, in aid of the Debtor's bankruptcy, the Debtor and Accountemps
4 agreed that, contingent upon the Court's approval, Debtor would tender the pre-petition amount
5 due to Accountemps (\$10,277.03), excluding interest and fees, to cure and assume the
6 Agreement post-petition.

7 8. The Debtor's previous CFO earned a salary of approximately \$100,000.00 per
8 year, plus benefits. Upon information and belief, the hourly fee charged for Godfrey's services
9 is consistent with the compensation paid to other qualified CFOs in the Debtor's industry,
10 especially given that Godfrey performs the roles of CFO, controller and treasurer while using
11 his experience to aid in this complex restructuring effort.

12 SIGNED under penalty of perjury this 19th day of June, 2014.

13 By: /s/ Lisa Dunn
14 Lisa Dunn

EXHIBIT 1



May 12, 2014

Personal & Confidential

LISA DUNN
XTRA AIRWAYS
805 W. IDAHO
#400
BOISE, ID 83702

Job Order Number: 03590-112196

Dear Lisa,

Thank you for selecting Accountemps to meet your staffing needs. Robert Godfrey is scheduled to start with Xtra Airways as a CFO - Chief Financial Officer on 05-12-2014. As agreed, we will invoice your firm at the rate of \$64.78 per hour. If applicable, overtime will be billed at 1.50 times such rate. Please find the enclosed General Conditions of Assignment and Terms of Payment for your review.

Our professional will submit either an electronic time record or a time sheet for verification and approval at the end of each week. Your approval thereby will indicate you have read and agree to the Accountemps General Conditions of Assignment and Terms of Payment.

Accountemps, a Robert Half Company, is the world's first and largest specialized financial temporary staffing firm for accounting and financial professionals. We provide professionals on a temporary, temporary-to-hire and salaried basis. We are a division of Robert Half International Inc., the world's leader in specialized consulting and staffing services since 1948.

Please do not hesitate to contact us if you have any questions or we can be of additional service. We look forward to working with you.

Sincerely,

Accountemps
800 Park Blvd.
Suite 770
Boise, ID 83712
(800) 803-8367

GENERAL CONDITIONS OF ASSIGNMENT

Thank you for your confidence in *Accountemps*. Our professional is assigned to you under the following General Conditions of Assignment and the enclosed Terms of Payment.

Scope of Background Inquiries	We usually check references by asking specific questions to select past employers with regard to qualifications and work history. These types of checks are generally done the first time we place that individual on an assignment. We do not recheck references after this initial placement process has been completed. There are substantial legal restrictions on the use and communication of various types of personnel-related information. We have not screened for drug use, administered a medical exam, conducted a criminal background check, or engaged in any verification process other than these reference checks. You should conduct such additional or more recent reference inquiries of past employers or verify such other items as you deem appropriate for the position. If you would like to obtain further background information about the professional, we would be glad to refer you to third party agencies who have agreed to perform additional background checks for our clients at a competitive price. If you choose to directly employ one of our professionals, we are willing to provide you with the results of any reference checks that we have performed, to the extent permitted by law.
Client's Responsibility	<p>Supervision of our professional's work is your responsibility. Our professional is only authorized to perform work within the scope of the assignment.</p> <p>Since <i>Accountemps</i> is not a professional accounting firm, it is expressly understood that our professionals are not authorized to render an opinion on behalf of <i>Accountemps</i> or on your behalf on financial statements, nor are our professionals authorized to sign the name of <i>Accountemps</i> on any document or to sign their own names on financial statements or tax returns.</p> <p>It is understood that you are responsible for implementing and maintaining usual, customary and appropriate internal accounting procedures and controls, internal controls and other appropriate procedures and controls (including information technology, proprietary information, creative designs and trade secret safeguards) for your company and we shall not be responsible for any losses, liabilities or claims arising from the lack of such controls or procedures.</p> <p>Under no circumstances will you permit our professional to sign, endorse, wire, transport or otherwise convey cash, securities, checks, or any negotiable instruments or valuables. It is understood that you have full responsibility for providing safe working conditions, as required by law, including ensuring that safety plans exist for and safety related training is provided to our professional working on your premises. If this assignment is for work to be performed under a government contract or subcontract, you will notify us immediately (1) of any obligations in the government contract or subcontract relating to wages, and (2) if we are legally required to initiate E-Verify verification procedures for our professional assigned to you.</p> <p>It is understood that we will not authorize our professional to operate machinery (other than office machines) or automotive equipment. It is agreed that you accept full responsibility for, and that we do not maintain insurance to cover any injury, damage, or loss that may result from your failure to comply with the foregoing.</p> <p>It is understood that you are responsible for reporting any claim to us in writing during or within ninety (90) days after the assignment. Under no circumstance will <i>Accountemps</i> be responsible for any claim related to work performed unless you have reported such claim in writing to us within ninety (90) days after termination of the assignment.</p>
Confidentiality	<p>Our professional will agree to execute any confidentiality agreement you may require. You are responsible for obtaining our professional's signature.</p> <p>You agree to hold in confidence the social security number and other legally protected personal information of our professional and to implement and maintain reasonable security procedures and practices to protect such information from unauthorized access, use, modification or disclosure.</p>
Employment Taxes and Withholdings	<i>Accountemps</i> will handle, to the extent applicable, any workers' compensation insurance, federal, state and local withholding taxes and unemployment taxes, as well as social security, state disability insurance or other payroll charges.
Insurance	In addition to workers' compensation insurance, we also maintain commercial liability insurance and employer's liability insurance.
No Contrary Agreements	These General Conditions of Assignment contain the complete and final agreement on the topics they address, and they supersede any prior agreements or understandings on these topics. Our professionals do not have authority either to verbally modify these General Conditions of Assignment or to assume additional responsibilities other than those set forth in these General Conditions of Assignment.

Job Order: 03590-112196

Date: 05-12-2014

TERMS OF PAYMENT

Thank you for your confidence in *Accountemps*. Our professional for the assignment of a CFO - Chief Financial Officer is Robert Godfrey. The assignment will start on 05-12-2014. As verbally agreed or otherwise communicated, we will invoice your firm at the rate of \$64.78 per hour. Should you wish to use our professional for other assignments, please feel free to do so. The hourly billing rate may then change to reflect the experience necessary to complete the assignment. Call *Accountemps* for any changes in the assignment. We request a minimum thirty (30) days notice prior to ending any assignment.

Our professional is assigned to you under the following Terms of Payment:

Guarantee	<i>Accountemps</i> guarantees your satisfaction with our professional's services by extending to you a one-day (8 hours) guarantee period. If, for any reason, you are dissatisfied with the professional assigned to you, <i>Accountemps</i> will not charge for the first eight hours worked, provided that <i>Accountemps</i> replaces the individual assigned. Unless you contact us before the end of the first eight hours guarantee period, you agree that our professional assigned is satisfactory.
Time Sheet	Our professional will submit either an electronic time record or a time sheet for verification and approval at the end of each week. Your approval thereby indicates your acknowledgement of the General Conditions of Assignment and these Terms of Payment. Our compensation to our assigned professional is on a weekly basis, and you will be billed weekly for the total hours worked, including time spent completing, revising, and/or resubmitting a time sheet or electronic time record during business hours, and we ask that you respect those guidelines. Because <i>Accountemps</i> invoices reflect payroll we have already paid, our invoices are due upon receipt. Applicable sales and service taxes shall be added to these invoices. In the event that you fail to pay the invoice when due, you agree to pay all of our costs of collection, including reasonable attorneys' fees, whether or not legal action is initiated. Additionally, we may, at our option, charge interest on any overdue amounts at a rate of the lesser of 1 1/2% per month or the highest rate allowed by applicable law from the date the amount first became due.
Overtime	If applicable, overtime will be billed at 1.50 times the normal billing rate. Federal law defines overtime as hours in excess of 40 hours per week, state laws vary. If state law requires double time pay, the double time hours will be billed at 2.00 times the normal billing rate.
Hiring the Person Referred to You	<p>After you evaluate the performance and potential of our professional on the job, you may wish to employ this person directly. Our professionals represent our inventory of skilled employees and in the event you wish them converted to your employ or another employer to whom you refer them, you agree to pay a conversion fee. The conversion fee is payable if you hire our professional assigned to you, regardless of the employment classification, on either a full-time, temporary (including temporary assignments through another agency) or consulting basis within twelve months after the last day of the assignment. You also agree to pay a conversion fee if our professional assigned to you is hired by (i) a subsidiary or other related company or business as a result of your referral of our professional to that company or (ii) one of your customers as a result of our professional providing services to that customer.</p> <p>The conversion fee will equal 35% of the professional's aggregate annual compensation, including bonuses.</p> <p>The conversion fee, plus an administrative fee, will be owed and invoiced upon your hiring of our professional, and payment is due upon receipt of this invoice. The same calculation will be used if you convert our professional on a part-time basis using the full-time equivalent salary.</p>
General Conditions	<p><i>Accountemps</i> may increase our rates provided under the Terms of Payment to reflect increases in our own costs of doing business, including costs associated with higher wages for workers and/or related tax, benefit and other costs. We will provide written or verbal notice of the increase in our rates. Any increase in our rates will be prospective, starting as of the effective date <i>Accountemps</i> specifies.</p> <p>Our professional is also assigned to you under the General Conditions of Assignment, a copy of which has been provided. We reserve the right to re-assign our professional.</p>

Job Order: 03590-112196

Date: 05-12-2014

EXHIBIT 2

Robert B. Godfrey, CPA

7900 Hummel Drive
Boise, ID 83709

208-788-0926
rgodfrey914@yahoo.com

Consultant and CPA practice, Jan '12 - present

- Provide CFO, controllership, strategic business planning, financial projections, business process engineering and tax management and planning services.
- Stood in as CFO of a distressed charter aviation company before and during Chapter 11 reorganization.
- Performed financial analysis and forensic services for a +\$100 million aviation company engaged in maintenance, sales, and fixed-based and charter operations.

Prepared a return-on-investment analysis seeking debt financing for the expansion of the maintenance facility by 47%.

Prepared an enterprise valuation analysis for marketing the firm for sale.

Found \$3 million in assets incorrectly reported annually as taxable property.

Found \$105 thousand in revenue buried in the balance sheet as excise tax liabilities.

Reverse engineered, documented and set up templates to simplify complex accounting processes and reconciliations.

- Prepared a scalable projection model for an oil & gas work-over rig venture to raise investment capital.

Chief Financial Officer, 13D Research

July, '07 – January, '12

- Responsible for accounting, treasury, tax, regulatory, risk management and human resources functions of a \$27 million, privately-owned investment research firm and its international affiliates.
- Performed due diligence on and implemented the reorganization of the company from U.S. jurisdiction to a tax-advantaged, U.S. Virgin Islands company to save \$5 million in taxes, annually.
- Oversaw the expansion of operations into Shanghai, Hong Kong, Switzerland, the Bahamas, Abu Dhabi and Brazil. Managed regulatory, tax, contractual, foreign exchange and employment matters in these jurisdictions, as applicable.
- Introduced daily P&L and at-risk capital reporting of options, futures, foreign currencies, fixed-income and equity investments. Introduced numerous consolidated treasury and sales reporting platforms.

Vice President, Credit Suisse

April '06 – April '07

- Accounted for all of Credit Suisse's, First Boston's and Drexel Burnham Lambert's U.S. derivatives: \$2.4 trillion total notional.
- Reported all derivative-related disclosures to the SEC, the European Banking Commission, the Swiss National Bank, and the U.S. Treasury.
- Re-engineered and significantly upgraded Credit Suisse USA's derivative reporting process, as attested by the 2006 SOx and global financial audits.
- Designed and developed a new reporting system for guarantees and commitments. Established all requirements for the project and supervised the programming team through project completion.

Controller, Newcastle Investment Corp. (Fortress Investment Group)

July, '05 – January, '06

- Supervised accounting and treasury operations for a \$6.3 billion publicly-traded finance REIT. Newcastle earned credit spreads on real estate-related securities in 28 consolidating entities. Assets were financed through eight CDO's and through repurchase agreements, total-return swaps, and other debt obligations.
- Assisted with 10Q's, 10K's and earnings releases. Built and implemented new-founded Sarbanes-Oxley internal controls. Assisted with \$40 million preferred stock offering. Calculated hedge effectiveness under FAS 133 and reviewed and attested to FIN 46 consolidation exposures.

Vice President and Controller, Bass Group / Societe Generale

September, '96 – July, '05

- Synopsis: '96 - '98: Performed governance reviews of the Bass group's wide assortment of financial, real-estate and oil and gas ventures. In April, 1998, took the post of controller of Constellation, a private hedge fund managed by Oak Hill Capital. This venture was ultimately sold to Societe Generale in 2003.
- Served as controller over hedged funds that provided structured financing of variable cash flows, collateralized debt obligations, equity-linked swaps, and structured tax trades.
- Implemented accounting policy for thirty consolidating entities under U.S. GAAP, U.S. tax, IFRS, Irish, French and Canadian accounting standards. Oversaw all audits and tax compliance.
- Designed and built all accounting and internal control systems. Vetted and integrated asset valuation models and treasury functions into accounting processes. Assisted with new business initiatives.
- Designed planning models used to secure \$1.2 billion of debt financing.
- Provided historical and projected results under hypothetical capital structures in support of the sale of Constellation – eventually to Societe Generale. Calculated distribution waterfalls across multiple classes of debt and equity investors. Conformed all of Constellation's accounting processes to SG's systems and regulatory requirements.
- Bass Group: Assisted with due diligence for acquisition of Sky King Freight Systems and the divestiture of the Pier 39 attraction in San Francisco. Assisted in governance reviews of hedge funds, large-scale real estate developments, and oil and gas operations.

Assistant Controller, Conference Division of Cable & Wireless

July, '95 – September, '96

- Prepared this newly-created division's first budget/planning model. Prepared all financial statements and supervised all general ledger and payroll processes.

Controller, U.S. Souvenir

August, '94 – May, '95

- Oversaw all accounting, treasury, information technology, and human resources functions for a consolidating group of eight companies (owned by John Hancock Capital Growth Fund II).

Senior Auditor, KPMG

August, '91 – August, '94

- Audited financial statements and evaluated internal controls of broker/dealers and a variety of firms under U.S. GAAP. Performed compliance audits of trusts, pensions, state and local governmental agencies, and not-for-profit organizations.

Education

BBA in Accounting, Texas Tech University

May, 1991

- Graduated Magna Cum Laude

- Member of Phi Kappa Phi and Beta Gamma Sigma honorary societies.

Naval service

Sonar Technician First Class, U.S. Navy

August, '82 – October, '88

- Sonar control and missile launch operations supervisor.
- Missile and sonar electronic systems technician.
- Nuclear weapons administrator.
- Consistent 4.0 performance evaluations over five years' sea service.
- Top secret security clearance.